

Retailers are required to file sales tax returns on the gross receipts basis according to Section 3 of the Retailers' Occupation Tax Act, 35 ILCS 120/3. (This is a GIL).

June 22, 2001

Dear Xxxxx:

This letter is in response to your letter dated May 1, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at the Department's Website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We are requesting that AAA change from accrual basis to cash basis for the sole purpose of paying sales tax (Form ST-1). Many of our clients do not pay us for several months and it is becoming a financial hardship to advance the payment of Illinois sales tax. We would like this change to be effective May 1, 2001.

If you need any additional information, please contact us otherwise we look forward to your prompt attention to this matter.

Thank you for writing to the Department about your filing situation. Retailers are supposed to file sales tax returns on the cash (i.e. gross receipts) basis according to Section 3 of the Retailers' Occupation Tax Act, 35 ILCS 120/3. Therefore your change will bring your filing method into compliance with the statutorily prescribed procedure.

We have forwarded your letter to the Department's Sales Tax Processing Division. If you have further questions about your filing status, please contact that office.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz
Associate Counsel

KWB:msk